

## Article - Tax - General

[\[Previous\]](#)[\[Next\]](#)

§10–716.

(a) (1) In this section the following words have the meanings indicated.

(2) “Federal child and dependent care credit” means the child and dependent care credit properly claimed by an individual for the taxable year under § 21 of the Internal Revenue Code.

(3) “Qualifying individual” means a qualifying individual within the meaning of § 21(b) of the Internal Revenue Code.

(b) An individual whose federal adjusted gross income for the taxable year does not exceed \$50,000, or \$25,000 in the case of a married individual filing a separate return, may claim a credit against the State income tax as provided in this section for expenses paid by the individual during the taxable year for the care of a qualifying individual.

(c) Subject to subsection (d) of this section, the credit allowed under this section equals the lesser of:

(1) 32.5% of the federal child and dependent care credit; or

(2) the State income tax for the taxable year.

(d) (1) If an individual’s federal adjusted gross income for the taxable year exceeds \$41,000, the credit otherwise allowed under this section shall be reduced by 10% for each \$1,000 or fraction of \$1,000 by which the individual’s federal adjusted gross income exceeds \$41,000.

(2) In the case of a married individual filing a separate return, if the individual’s federal adjusted gross income for the taxable year exceeds \$20,500, the credit otherwise allowed under this section shall be reduced by 10% for each \$500 or fraction of \$500 by which the individual’s federal adjusted gross income exceeds \$20,500.

(e) The credit allowed under this section does not affect the treatment under this title of any deduction or exclusion allowed under this title or allowed for federal income tax purposes for expenses paid by the individual for the care of a qualifying individual.

[\[Previous\]](#)[\[Next\]](#)